

Approved as Amended: 12/12/01

**CITY OF MORGAN HILL
JOINT SPECIAL AND REGULAR REDEVELOPMENT AGENCY AND
SPECIAL CITY COUNCIL MEETING
MINUTES - NOVEMBER 28, 2001**

CALL TO ORDER

Chairman/Mayor Kennedy called the special meeting to order at 6:35 p.m.

ROLL CALL ATTENDANCE

Present: Agency/Council Members Carr, Tate and Chairman/Mayor Kennedy
Late: Agency/Council Members Sellers (arrived for closed session) and Chang (arrived at 8:26 p.m.)

DECLARATION OF POSTING OF AGENDA

Office Assistant II Malone certified that the meeting's agenda was duly noticed and posted in accordance with Government Code 54954.2.

Redevelopment Agency/City Council Action

CLOSED SESSION:

Agency Counsel/City Attorney Leichter announced the closed session items listed below. She indicated that one case, under Closed Session Item No. 1, was based on the threat of litigation contained in an e-mail from the Allevatos to Council Member Chang dated August 1, 2001.

City Council Action

1.

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Significant Exposure/Initiation of Litigation

Authority: Government Code Section 54956.9(b) & (c)

Number of Potential Cases: 3

City Council and Redevelopment Agency Action

2.

**CONFERENCE WITH LEGAL COUNSEL - POTENTIAL AND EXISTING LITIGATION:
CONFERENCE WITH REAL PROPERTY NEGOTIATORS**

Legal Authority: Government Code 54956.8 & 54956.9(a) & (c) (1 potential case)

Real Property(ies) involved: APN 728-31-007 & 008; 25.50 acres located on the southwesterly side of Cochrane Road (St. Louise Hospital property)

City Negotiators:	Agency Members; Executive Director; Agency Counsel; F. Gale Conner, special counsel; Rutan & Tucker, special counsel
Case Name:	San Jose Christian College v. City of Morgan Hill
Case Numbers:	Santa Clara County Superior, No. CV 799179; USDC Northern California No. C01-20857 RMW
Closed Session Topic:	Potential Existing Litigation/Real Estate Negotiations

3.

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Authority:	Government Code section 54956.9(a)
Name of Case:	Hacienda Valley Mobile Estates v. City of Morgan Hill et al.
Case No:	C 01-20976 PVT, United States District Court, Northern District of California
Attendees:	City Council, City Manager, City Attorney

OPPORTUNITY FOR PUBLIC COMMENT

Mayor/Chairman Kennedy opened the Closed Session Items to public comment. No comments were offered.

ADJOURN TO CLOSED SESSION

Mayor/Chairman Kennedy adjourned the meeting to closed session at 6:37 p.m.

RECONVENE

Mayor/Chairman Kennedy reconvened the meeting at 7:10 p.m.

CLOSED SESSION ANNOUNCEMENT

City Attorney/Agency Counsel Leichter announced that the City Council considered Closed Session Item 1, noting that no reportable action was taken on this item. She indicated that Closed Session Items 2 and 3 have been continued to the conclusion of the meeting.

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

At the invitation of Mayor/Chairman Kennedy, Santa Clara County Fire Chief Douglas Sporleder led the Pledge of Allegiance.

INTRODUCTIONS

Recreation Manager Spier introduced new hires to the Recreation Division as follows: Nancy Harris, *Office Assistant I*, and Margarita Huertas-Balagso, *Management Analyst*.

PROCLAMATION

Mayor Kennedy presented a proclamation to Arnim Nicholson, declaring November 18 - 24, 2001 as *National Family Week*.

PRESENTATION

Captain Sullivan introduced Dave Larton, Public Safety Communicator with the City of Gilroy and Communications Group Manager with the California Urban Search and Rescue Task Force III from Menlo Park. He indicated that Mr. Larton requested a flag that had been flown over one of the City's facilities to take to the World Trade Center. Staff provided Mr. Larton with a flag that had flown over the City's Police Department, and Mr. Larton has brought the flag back from the World Trade Center.

Mr. Larton stated that he wanted to take a flag to the World Trade Center in order to represent the City of Morgan Hill as a Morgan Hill resident. He indicated that members of the California Task Force III were proud and honored to fly the flag as its official battle flag for the 14 days they were in New York's World Trade Center site. He indicated that the flag flew with Task Force III going to and from the World Trade Center site and that he is proud to be bringing the flag back to the City of Morgan Hill, giving it more history. He also presented the Mayor, City Council, Captain Sullivan and Officer Troy Huffman with New York City Fire Department, Battalion 53, commemorative memorial pins as a token of appreciation from Battalion 53.

RECOGNITION

Mayor Kennedy presented Fire Chief Douglas Sporleder with a Certificate of Recognition for his outstanding and faithful service to the Santa Clara County Fire Department and the City of Morgan Hill. He wished him continued success in life's pursuit in retirement.

Director of Business Assistance and Housing Services Toy made a presentation of the Community & Cultural Center groundbreaking event with a slide show presentation and identified the Groundbreaking Committee Members of City staff as follows: Joyce Maskell, Chair; Andi Borowski, Environmental Program; Jan Chargin, Gavilan College; Phyllis Dieter, Community Development; Therese Luggner and Sandra Thomson, Recreation; Glenn Ritter, Public Works; Chu Thai, Finance; Irma Torrez, Council Services and Records Manager; and Karen Lengsfeld, Human Resources.

PUBLIC COMMENT

Mayor/Chairman Kennedy reopened the floor to comments for items not appearing on this evening's agenda. No comments were offered.

CONSENT CALENDAR:

Redevelopment Agency Action

Action: *On a motion by Agency Member Tate and seconded by Agency Member Sellers, the Agency Commission, on a 4-0 vote (Agency Member Chang absent) **Approved** Consent Calendar Items 1-3 as follows:*

1. **OCTOBER 2001 FINANCE AND INVESTMENT REPORT**
Action(s): ***Accepted** and **Filed** Report.*
2. **SPECIAL REDEVELOPMENT AGENCY CLOSED SESSION MEETING MINUTES FOR NOVEMBER 7, 2001**
Action: ***Approved** the Minutes as written.*
3. **SPECIAL REDEVELOPMENT AGENCY MEETING MINUTES FOR NOVEMBER 7, 2001**
Action: ***Approved** the Minutes as written.*

Redevelopment Agency and City Council Action

Action: *On a motion by Agency/Council Member Tate and seconded by Agency/Mayor Pro Tempore Sellers, the Agency Commission/City Council, on a 4-0 vote (Agency/Council Member Chang absent) **Approved** Consent Calendar Items 4-6 as follows:*

4. **TRANSFER OF COMMUNITY CENTER PROPERTY**
Actions: 1) ***Authorized*** the Redevelopment Agency Director to Execute Any and All Necessary Documents to Transfer to the City the Property Located on East Dunne and Monterey Road Commonly Known as the Community Center site; and 2) ***Authorized*** the City Manager of the City of Morgan Hill to Execute Any and All Necessary Documents to Accept the Property Commonly Known as the Community Center Site on East Dunne and Monterey Road.
5. **JOINT SPECIAL AND REGULAR CITY COUNCIL, AND SPECIAL REDEVELOPMENT AGENCY MEETING MINUTES FOR NOVEMBER 7, 2001**
Action: ***Approved** the Minutes as written.*
6. **JOINT SPECIAL CITY COUNCIL AND SPECIAL REDEVELOPMENT AGENCY MEETING MINUTES FOR NOVEMBER 16, 2001**
Action: ***Approved** the Minutes as written.*

City Council Action

Council Member Carr and Council Services and Records Manager Torrez requested that Item 16 be pulled from the Consent Calendar.

Action: *On a motion by Council Member Tate and seconded by Mayor Pro Tempore Sellers, the City Council, on a 4-0 vote (Council Member Chang absent) **approved** Consent Calendar Items 7 - 15 as follows:*

7. **OCTOBER 2001 FINANCE AND INVESTMENT REPORT**

Action: ***Accepted and Filed** Report.*

8. **METROPOLITAN TRANSPORTATION COMMISSION DEPOT STREET PLANNING GRANT**

Action: ***Authorized** the City Manager to Do Everything Necessary and Appropriate to Accept and Implement a \$50,000 Planning Grant from the Metropolitan Transportation Commission.*

9. **AWARD PURCHASE ORDER FOR INSTALLATION OF CHAIN LINK FENCE AT INTERIM BMX PARK PROJECT**

Recommended Actions: *1) In Accordance with Section 3.04.150A of City Code, **Determined** the Competitive Bid Process for the Installation of the Chain Link Fence at the Interim BMX Park Project Would Not Likely Result in a Lower Price to the City from a Responsible Bidder and/or Would Cause Unnecessary Expense or Delay of the Project; and 2) **Approved** Purchase Order in the Amount of \$9,100 with Diamond Fence Company, Inc. for Installation of the New 6 Foot High Chain Link Fence for the Interim BMX Park Project.*

10. **ACCEPTANCE OF SUBDIVISION IMPROVEMENTS FOR PARCEL MAP 710 M 48 & 49, MORGAN MEADOWS PHASE I - Resolution No. 5536**

Actions: *1) **Adopted** Resolution No. 5536, Accepting the Subdivision Improvements included in Parcel Map 710 M 48 & 49, commonly Known as Morgan Meadows Phase I; and 2) **Directed** the City Clerk to File a Notice of Completion with the County Recorder's Office.*

11. **ACCEPTANCE OF SUBDIVISION IMPROVEMENTS FOR TRACT 9130, OAK CREEK, PHASE III - Resolution No. 5537**

Actions: *1) **Adopted** Resolution No. 5537, Accepting the Subdivision Improvements included in Tract 9103, Commonly Known as Oak Creek Phase III; and 2) **Directed** the City Clerk to File a Notice of Completion with the County Recorder's Office.*

12. **ACCEPT POLYBUTYLENE WATER SERVICE REPLACEMENT PROJECT, PHASE III**

Actions: *1) **Accepted** as Complete the Polybutylene Water Service Replacement Project, Phase III in the Final Amount of \$253,538; and 2) **Directed** the City Clerk to File a Notice of*

Completion with the County Recorder's Office.

13. COMMUNITY AND CULTURAL CENTER PROJECT OCTOBER CONSTRUCTION PROGRESS REPORT

Action: Information Only. No Action Taken.

14. CITY COUNCIL POLICIES AND PROCEDURES FOR NUISANCE ABATEMENT HEARINGS

Actions: Adopted City Council Policy and Procedure for Nuisance Abatement Hearings.

15. EMPLOYMENT AGREEMENTS WITH COUNCIL APPOINTEES - Resolution Nos. 5538 & 5539

Actions: 1) Adopted Resolution No. 5538, Amending the City Manager's Contract; and 2) ***Adopted*** Resolution No. 5539, Amending the City Attorney's Contract.

16. APPOINTMENTS TO THE DOWNTOWN PLAN TASK FORCE

Council Services and Records Manager Torrez informed the City Council that the City was short one applicant to fill the make up of the Downtown Plan Task Force as assigned by the City Council. She indicated that staff received an application this afternoon from Leslie Miles requesting consideration to serve on the Task Force. Should the Council confirm her appointment, she would fill the seat of the downtown property owner and that Rocke Garcia could be appointed to the developer vacancy.

Council Member Carr indicated that Joe Burch expressed an interest in serving on the Task Force and has asked that an application be sent to him. He requested that the City Council add an additional slot for Mr. Burch's appointment to the Task Force upon receipt of his application and not slow down the timeline by bringing back to the City Council a recommendation for appointment.

Action: *On a motion by Council Member Tate and seconded by Mayor Pro Tempore Sellers, the City Council, on a 4-0 vote with Council Member Chang absent, **Approved** the Mayor's Appointments to the Downtown Design Plan Task Force per the staff report, including the appointment of Leslie Miles (downtown property owner) and Joe Burch as an addition to the Task Force upon receipt of an application.*

City Council Action

PUBLIC HEARINGS:

17. DEVELOPMENT AGREEMENT APPLICATION DA-01-05: SUNNYSIDE - SOUTH VALLEY DEVELOPERS - Ordinance No. 1539, New Series

Director of Community Development Bischoff presented the staff report.

Mayor Kennedy opened the public hearing. Scott Schilling, applicant, referred the City Council to page 9 of the development agreement, paragraph 14(m)(ix) relating to "Post tensioned slab floors." He informed the City Council that this was not a commitment made as part of the Measure P application for this project. Therefore, he requested that this section of the sentence be deleted from the development agreement. No further comments being offered, the public hearing was closed.

Mr. Bischoff recommended that paragraph 14(m)(ix) be amended to read: "...Post tensioned slab shall be required if determined that it was offered as an amenity under the Measure P application . . ."

Action: *On a motion by Council Member Tate and seconded by Mayor Pro Tempore Sellers, the City Council, on a 4-0 vote with Council Member Chang absent, **Waived** the Reading in Full of the Development Agreement Ordinance No. 1539, New Series.*

Action: *On a motion by Council Member Tate and seconded by Mayor Pro Tempore Sellers, the City Council **Introduced** Ordinance No. 1539, New Series by Title Only as follows: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING OF A DEVELOPMENT AGREEMENT, DA-01-05 FOR APPLICATION MP-00-19: SUNNYSIDE-SUNNYSIDE DEVELOPERS (APN 767-29-006), amending paragraph 14(m)(ix) of the development agreement to read: "...Post tensioned slab floors **shall be required if determined that it was offered as an amenity under the Measure P application.** All sheet rock screwed . . . " by the following roll call vote: AYES: Carr, Kennedy, Sellers, Tate; NOES: None; ABSTAIN: None; ABSENT: Chang.*

18. DEVELOPMENT AGREEMENT APPLICATION DA-01-04: CENTRAL - CENTRAL PARK PHASE V - Ordinance No. 1540, New Series

Director of Community Development Bischoff presented the staff report. He informed the City Council that Mr. Schilling has indicated that he did not believe that he made the commitment to the installation of post tension slab as listed under paragraph 14(m)(ix) nor extend porch across front of den and/or living room in Plan A & C [paragraph 14(m)(x)]. He recommended that language be added to state that these items shall be provided if it is substantiated that these were commitments made through the Measure P competition.

Mayor Kennedy opened the public hearing. No comments being offered, the public hearing was closed.

Action: *On a motion by Council Member Tate and seconded by Mayor Pro Tempore Sellers, the City Council, on a 4-0 vote with Council Member Chang absent, **Waived** the Reading in Full of the Development Agreement Ordinance No. 1540, New Series.*

Action: *On a motion by Council Member Tate and seconded by Mayor Pro Tempore Sellers, the City Council **Introduced** Ordinance No. 1540, New Series by Title Only as follows:*

*AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING OF A DEVELOPMENT AGREEMENT, DA-01-04 FOR APPLICATION MP-00-18: CENTRAL-CENTRAL PARK (APN 726-27-053), amending paragraphs 14(m)ix to read: "...Post tension slab floors, **if determined that it was offered as an amenity under the Measure P application.** All sheet rock screwed . . . " and 14(m)(x) amended to read "Plan A & C will extend porch across front of den and/or living room **if determined that it was offered as an amenity under the Measure P application.** Uses porches . . . " by the following roll call vote: AYES: Carr, Kennedy, Sellers, Tate; NOES: None; ABSTAIN: None; ABSENT: Chang.*

Redevelopment Agency Action

OTHER BUSINESS:

19. REPORT ON MANAGEMENT AND MAINTENANCE RECOMMENDATIONS FOR THE DOWNTOWN

Director of Business Assistance and Housing Services Toy presented the staff report.

Kent Burns stated that the report speaks for itself and that he would be interested in responding to Agency Commission questions. He said that the \$250,000 dollars being recommended be allocated to form a Main Street Program will cover more than administration costs. The recommended allocation would include the implementation of projects that are designed to stabilize, strengthen the implementation, and enhance the retrenching of the downtown. He stated that downtowns across the country are moving rapidly to reclaim their place in the community; as this is the part of the community that the City is judged by (heart and soul of the community). He stated his concurrence of the slight modification made to his recommendations with the caveat that everyone understands that Main Street is a scientific process of implementing a management program and a process that stabilizes a downtown business district. He said that he would stand behind the recommendation that some dollars be allocated for training and strategic planning in the initial phase in the formation of a Main Street Program. He stated that once cities approve a Main Street Program, the State will usually come in and train a team. However, this is not the case in California. This is the reason he is recommending that funding for training be included. He felt that a compromise would be to have someone on board on a full time basis as quickly as possible. However, he felt that there will still be a need for some training, noting that it does not have to be the optimum training he recommended.

Mr. Burns indicated that "Main Street" is a management approach, developed in 1978-1980, coming out of a research project in three communities in the United States in response to communities that were losing their historic assets, especially in the downtown districts. Typically, the Main Street Programs have been used in communities with populations of 50,000 or less. He stated that the Main Street Program is a way of managing the downtown assets so that you can maximize all of the strengths that the downtown has to offer and still retain it as a place for people to work, live, shop,

and/or play. What has been found over a 20-year period, is that communities often have an organization that comes from a business group association and promote the downtown. The main street process is a comprehensive process of attacking those places where the downtown starts to deteriorate, physically, economically, and organizationally. He said that it is easy to read and understand in writing, but in practice, it takes training and understanding to implement this in a smaller community. The primary reason is due to the fact that the program is volunteer driven and requires putting together collaborative partnerships from everyone in the community with a very small administrative cost. He stated that the Council needs to embrace this as a four-point approach to downtown revitalization. If approved, it places the City in a network of approximately 1,600-2,000 other communities in the United States, 900 in Canada, several hundred in the Ukraine, and 136 communities in California.

Agency Member Tate requested clarification of what the Downtown Executive Committee is recommending as opposed as to what Mr. Burns' report states. He stated that he likes the Committee's recommendation that the City proceed in phases, measuring progress. He asked if Mr. Burns felt that there were other elements that needed to be included early on?

Mr. Burns stated that the report suggests that the City retain a consultant to train the executive director and to train the organizing body over a year's time, the consultant can mentor and handhold the organization up to a point when they are ready to proceed on their own. He felt that the Downtown Executive Committee would like to proceed and contract with a consultant or hire someone to come on board. He reiterated that it was his belief that there needs to be some type of initial training in this process. With the \$2,500 - \$3,00 dollars being allocated up front, the Committee will be able to enlist one of many qualified consultants around the United States. He felt that the Committee was heading in the right direction.

Agency Member Sellers addressed the Morgan Hill Downtown Revitalization Program (DRP) and how it relates to the Main Street Program. He said that the DRP was part of the California Main Street Program. There were significant resources available, including quarterly meetings being held to exchange ideas. The primary catalyst for the downtown was busy business individuals who needed to see specific outcomes to continue their participation. He felt that the DRP was able to show outcomes. The largest outcome from the downtown program was leveraging other significant resources, most being the use of private funds (e.g., installation of facades, awnings, etc.). It was felt that by using leverage funds, the program could help bring a business into the downtown that might not otherwise be here (provide financial assistance to businesses). He noted that there have not been any vacancies other than the normal business turnover in the downtown for approximately 20 years. He felt that spending a little bit of money to make the downtown a success will go a long way toward making the community and cultural center a success. He stated that he was pleased to see that the Downtown Executive Committee is ready to take this program to the next level.

Chairman Kennedy opened the floor to public comments.

Brad Jones, owner of Booksmart, addressed the reason why the Downtown Executive Committee changed the dollar amount from the original proposal: 1) It was believed that \$¼ million was a lot of money and that a lot can be done with this money; 2) They wanted to identify how much money it would take to kick off this project; and 3) the need to hire a consultant from within the community who would assist the Committee and not hire a consultant from outside the area. He stated that members of the downtown feel that the downtown is a place for the community to visit. However, there are a lot of things going on in the downtown that are not as rosy as they appear on the outside. He said that there are a lot of business owners in need of assistance in order to stay in business and that the program would help individuals stay in business and maintain a nice downtown, doing something with the empty lots.

No other comments were offered.

Agency Member Sellers felt that the model proposed by the downtown group makes sense. He recommended that the first phase include adequate training as part of the model. Further, when hiring the interim director, training should be included for the group.

Vice-chairman Carr concurred with Agency Member Sellers and Mr. Jones' recommendation to have someone who would be with the community on a more permanent/closer basis and proceed with the program in stages, returning to the Agency Commission with measured improvements, moving at small steps at a time.

Chairman Kennedy stated that this is an excellent program/process that the City is embarking upon. He felt that the downtown is fragile, noting that new members and visitors to the community enjoy the downtown. However, as you speak with downtown merchants, they indicate that they are hanging on by a thread, barely surviving. He felt that this program is what is needed to pull the downtown together and take it over the top to the next level where it needs to go to be vibrant, strong, and self sufficient.

Actions: *On a motion by Agency Member Sellers and seconded by Vice-chairman Carr, the Agency Commission, on a 4-0 vote with Agency Member Chang absent: 1) **Accepted** the Burnes Downtown Report; and 2) **Authorized** the Executive Director to Do Everything Necessary and Appropriate to Assist the Chamber of Commerce's Downtown Executive Committee (DEC) with Establishing a Main Street Program, Including the Execution of an Agreement with a To-be-formed No-profit Corporation Representing the Interests of the Downtown, in an Amount Not to Exceed \$50,000.*

City Council Action

OTHER BUSINESS:

20. COMMUNITY INDOOR RECREATION CENTER - UPDATE

Deputy Director of Public Works/Operations Struve presented the staff report. He informed the City Council that the Parks and Recreation Commission met this past Monday night and reached a consensus on a recommendation for the City Council this evening. He indicated that staff would be providing the City Council with a presentation to give context to the Parks and Recreation Commission recommendation. He stated that Laura Hagiperos would be providing the Parks and Recreation Commission's recommendation and answer questions which the Council may have relating to the recommendation. He indicated that Janet Tam, Noll and Tam Architects, would be providing information about the City-wide recreational needs; Julie Spier would be presenting the City's Indoor Recreational Center Building Model; Dave Thornton, YMCA President, would provide the YMCA's Indoor Recreational Center Building Model; and Lauren Livingston, Sports Management Group, would provide the business and economic analysis about the City and YMCA models.

Janet Tam, project architect, addressed a matrix that lists items identified in the Parks and Recreation Master Plan and community priorities identified in community workshops. She identified possible duplication of services at the Community and Cultural Center, the Indoor Community Recreation Center, library, YMCA and the Aquatics Center. She addressed three building models: 1) City Core Facility, [meets current budget of \$7.7 million at \$399 square foot unit cost (19,356 square foot facility)]; 2) City Full Service Facility with Aquatics [at a cost of \$25,246,013 at \$385 square foot unit cost (65,509 square foot facility)]; and 3) YMCA Facility [total project cost of \$16,545,152 at \$390 square foot unit cost (42,403 square foot facility)].

Recreation Manager Spier presented the City's "Core Facility" and "Full Service Facility" Models. She addressed space programming for senior and youths as well as successful indoor recreational models (Roseville Community Center, Monterey Sports Center, Red Morton Center in Redwood City and Cupertino Center). She stated that it is anticipated that the facility will reach everyone and will be open to everyone, noting that the recreation division has a proven track record for programming. She stated that it is the belief that the space programming at the center starts with community needs and that it needs to stay with said community needs (e.g., senior and youth wings). It was her belief that the Senior Advisory and Youth Advisory Committees need to be a part of the programming and services offered in the two wings. She stated that the City's operational model will allow the opportunity to integrate all community organizations and participants in order to provide programming time within said facility, including the YMCA.

Agency/Council Member Chang entered and took her seat on the dais.

Council Member Tate addressed the "core" versus the "full facility." He said that the space allocated for youth, increased by 100 square feet from the basic to full function program. He noted that the senior space expanded by 1,000 square feet from the basic to the full function facility. He asked what additional items were added that increased the senior space to 1,000 square feet in the full service facility? Ms. Tan indicated that there is more space for seniors with full service as it includes a full kitchen, volunteer office space, lounge and reception area.

Dave Thornton, President of the YMCA, informed the City Council that a number of Board Members from the Mt. Madonna YMCA and several YMCA staff members were present to respond to questions which the City Council may have. He summarized the primary points to what is central to the YMCA proposal for the new indoor recreation center. It is felt that the YMCA's proposal meets the delivery of critical programs defined in the Recreation Master Plan, including seniors, after school youth, aquatic programs, and programs for disabled individuals and many other community needs that have been expressed. The YMCA proposal will meet the City's developmental asset initiative. He stated that the YMCA is the lead non profit agency in the community leading the developmental asset initiative in the community. It was his belief that the City wanted a proposal that would balance the city's limited capital resources with operational self sufficiency. The YMCA's proposal tries to stick strictly to what is critical for the self sufficiency of the recreation center as well as providing the programs for the Master Plan, avoiding some of the wish things that could have been built into it in order to keep capital costs to a minimum.

Mr. Thornton stated that the YMCA's experience finds that local research gives the best data for making decisions about business plans that relate to these kinds of facilities. The YMCA has a long history of running YMCAs similar to this proposal. It has been found in other communities that when it has not conducted a careful study of the local data, it has not been able to make the decisions that it needs to make in order to move forward. He informed the City Council that the YMCA hired Balducci & Associates to conduct a community survey in Morgan Hill and the broader community, taking a sample of over 600 individuals in the community considered statistically valid. He stated that the YMCA's proposal was based on this research. He addressed the YMCA business model, indicating that it is community based and locally governed. He stated that the Board Members reside and work in this community and make the decisions on the programs needed, including the operation of the facility in response to the needs of the citizens of the Morgan Hill and the broader community.

Mr. Thornton indicated that revenues are from fees and donations and that the fees are set at a level that enables most individuals to participate. He pointed out that use of the different uses in the YMCA facility are free once individuals pay the suggested fees. The YMCA also provides scholarship aid and that his proposal suggests that it would give, at a minium, \$75,000 in scholarship aid each year. Excess revenue that is generated will remain in Morgan Hill to help develop new programs, to provide additional outreach, and to be applied toward long term facility maintenance and repair. He felt that there is an opportunity to have a self-sustaining facility because it would have an interest to individuals who live in Morgan Hill. The City would be able to sustain the facility by marketing the facility to the broader community. The survey indicates that there is strong support for user fees as opposed to taxing the community to pay for the operation of the recreation center. It was found that an indoor pool was an essential part of what is desired in the facility and that there was strong support (71%) in having the facility operated by the YMCA. He summarized the amenities to be included in the YMCA facility model. He indicated that this would be a well-integrated user facility. He identified the financial elements of the YMCA proposal. He stated that the YMCA Board believes that there is an opportunity for the YMCA and City to work together in partnership with the use of the facility as well as with other organizations in the community. It is also the YMCA Board

Member's belief that the YMCA model will support and enhance city recreation programs and strengthen the City's ability to meet more of the community's needs while maximizing limited resources. He stated that the YMCA Board Members look forward in partnering with the City and building an asset rich community to do more for less money with no financial risk to the City.

City Manager Tewes stated that he and Director of Community Development Bischoff have spoken about the differences between publicly bid projects pursuant to the public bidding process and what can be built by another entity. He indicated that some of this is reflected in the YMCA's lower estimate.

Mayor Pro Tempore Sellers noted that in the City's model anticipates that there would be 96% to 98% initial cost recovery. He noted that the YMCA's model would be starting at 100% cost recovery and maintaining this level. In balancing this important issue, he noted that Mr. Thornton stated that the City would avoid any taxing or use of tax funds. He asked if Mr. Thornton was talking about the tax funds for the remaining 4% that would not be recovered in their model.

Mr. Thornton stated that whatever it might take to subsidize the operations of the City would not be required if the YMCA was running the facility.

Mayor Pro Tempore Sellers inquired if it was found that the average pool users would use other facilities or would they use the pool facility alone? Mr. Thornton responded that there are a variety of patterns used by individuals. He stated that sometimes pools are being used primarily for lap swimming. It has been found that there is an enormous amount of family usage of the pool. Families may come in to use the pool and use other activities available. He stated that there were a variety of reasons why individuals use pools but that it is perceived by individuals who come to a facility as a strong reason to participate and pay a user fee or membership fee.

Council Member Chang indicated that Pam Wiedgrand presented an overview of the YMCA proposal to her. She noted that it was indicated that 4,372 family members would use the facility and that \$100,000 has been set aside for scholarships. She inquired as to the number of individuals who would be able to receive scholarships from the \$100,000 scholarship fund, noting that the YMCA proposes to charge \$68/family. She wanted to know how many Morgan Hill residents would be able to seek and receive a scholarship.

Pam Wiedgrand, YMCA senior vice-president for operations, indicated that when you talk about scholarships, it is a scholarship to go to camp, take a swim lesson, or a kinder-gym class, etc. It is a scholarship for a child or senior in a program. She said that these are the activities that scholarships are applied toward. She indicated that she could not provide the Council with the number of Morgan Hill scholarships that would be available. She indicated that it would be the YMCA's goal not to turn away anyone for the lack of ability to pay. It is anticipated that if a family came to the YMCA indicating that they could not pay the full amount, the YMCA would allow use of the facility. The number of families/individuals who would be given a scholarship is unknown because it would

depend on how many individuals in need of scholarships. It is the YMCA's goal that this percentage of individuals would be represented in the membership over and above the scholarships given to place kids in sports and camping programs. She said that the size of the building would limit the number of users. She stated that if it is the goal of the City is to have a self-sufficient building, a critical responsibility is to make sure that the YMCA markets the facility and offer quality programs so that individuals who are able to pay will pay and use the facility. There has to be paid users in order to provide free or subsidized services of the scholarship for others. She indicated that the YMCA has not turned away anyone in the County who has indicated that they do not have the inability to pay. She did not believe that the capacity of the facility would be large enough to accommodate 3,200 individuals.

Mr. Thornton emphasized that the numbers being presented are the ones projected in the YMCA's locally derived survey. Based on the survey, the number of individuals from the broader community would be very likely to become users of this recreation center at a sustainable fee. The numbers are not meant to be a projection of the maximum number of individuals because there was another group that stated that they would likely use the facility. He felt that with good marketing, there could be substantially greater population who would use the facility. He indicated that the YMCA used the most conservative figure in order to generate a budget that would enable them to confidently propose to the City that the YMCA could operate the facility with no risk to the City.

Lauren Livingston, Sports Management Group, provided the City Council with a comparative analysis of the three different options. She indicated that the process used looked at how each option provided the spaces identified through the Recreation Master Plan process and what kind of services each could provide to the community, the operating cost to the tax payers of Morgan Hill, the user fees associated with each option, the participation levels that each of the buildings could sustain, how well the facilities and the operation models would fulfill the general plan objectives, and how well they could integrate into the City's programs and other facilities that are being planned and constructed.

Laura Hagiperos, Parks & Recreation Commission Chairperson, indicated that the Parks and Recreation Commission (PRC) reviewed the three models and came up with a recommendation for the best operating model at their meeting Monday night. She indicated that the PRC was torn because the model that was optimal was financially away from the \$7.7 million budget that has been included in the Capital Improvement Program (CIP) budget. The model that fits the program is in place at the Friendly Inn without the nutrition program. The PRC felt that the YMCA model was good but at an amount twice budgeted. The PRC felt that it was difficult to review operational models and delivery of services when they were having trouble deciding the dollars for the facility. The PRC felt that this was a grand project and were excited about what the project would mean to Morgan Hill. The PRC felt that the project would set the tone for active recreation for the next decade in Morgan Hill and therefore needs to be done right, noting that the process is being fast tracked. She indicated that the PRC felt that the City needs to re-look at the budget figure as it does not appear that the project will meet the community needs as seen in the survey at the \$7.7 million level.

Ms. Hagiperos informed the City Council that the side pocket memo distributed to the City Council this evening accurately summarizes the PRC's recommendation to the City Council as follows:

- ▶ The \$7.67 million funding allocated in the FY 2001-02 budget is inadequate to meet the community's programming expectation and the City's core model is not recommended.
- ▶ Recommends that the City Council reevaluate the capital funding allocation for the indoor recreation center and identify a funding range appropriate for this facility.
- ▶ Recommends that staff be directed to develop one non-profit and one city operational model for the building based on the revised amount of funding for project development so that a direct comparison could be made and evaluated to determine which operational model is optimal and to send the item back to the PRC for their consideration and recommendation.

Ms. Hagiperos indicated that the PRC recognizes that this recommendation would slow the project down but felt that it was such an important project. The PRC felt that taking a little extra time would not destroy the project and would ultimately be the best thing. She felt that the City needs to compare apples and apples when looking at the programming. She indicated that the PRC discussed a third model that would incorporate a joint partnership between a non profit (e.g., YMCA) and the City in order to work toward pairing the programs together in the delivery of service and revenue cost recovery. She indicated that this is not a model that has been seen in the presentation to date.

Council Member Chang asked if there was discussion by the PRC to suggest what would be the guidelines, or consideration given to the appropriate budget number?

Ms. Hagiperos responded that in the presentation of models, the YMCA model states that they need certain elements with a \$14.6 million budget. The City's model also identified the elements that would be needed to meet the community needs. She did not know if you would review these two models in order to derive a middle figure in order to meet the optimal needs of the community. She felt that the appropriate budget may fall between \$14-30 million. She indicated that it was the general consensus of the PRC that it would be difficult for them to develop or design a facility without knowing the budget allocated for the facility. The PRC came to the conclusion that \$7.76 million was not enough to fund the facility, given the models presented.

Council Member Tate stated his appreciation of the recommendation of the PRC but stated that he was troubled by one aspect that being that the core proposal was useless. He stated that he did not believe that the core proposal was useless. He felt that the core proposal was appropriately named as a core proposal and identified what is needed in order to meet the community's needs (e.g., youth and senior needs). He indicated that he could not make the YMCA's figures add up relating to combination spaces. He stated that he needs to have a better understanding of the core area based on the Senior and Youth Commissioner's comments in terms of their requirements for separation versus how much space can be shared. He stated that it was his impression that the core proposal may not

be the correct model because you need the synergy of all of the other elements to make the project work. However, he felt that the core needs to be identified in order to meet the basic needs of the youth and seniors in the community.

Ms. Hagiperos stated that with a core facility, the city would be taking on a facility that would be limited and that cost recovery and self sustaining would be difficult to achieve.

Council Member Tate felt that if a better definition of an absolute core facility is determined, the city can identify the elements to be added.

Ms. Hagiperos said that a core facility could be built and that it would have some essential elements. If the City was to replicate what is currently being offered in the community and build a senior center, the core facility would not be providing a nutrition program for the seniors. She indicated that a senior nutrition program was a big consideration. She stated that the PRC does not want to take away any of the current programs being offered but to replicate/supplement the programs for seniors.

Chairman Kennedy opened the floor to public comment.

John Kennett, 1645 Cochrane Road, stated that the YMCA has had a long history of serving youths, seniors and families. The YMCA has also had a long history of having a community group raising scholarships. He noted that the City is facing the operation of five new facilities and that it is unlikely that any of the other four will be self sustaining. He felt that there was only one opportunity for a self-sustaining facility, the recreation center. He said that the City of San Jose funded the majority of the construction of the San Jose Arena ten years ago. The Sharks were given the lease to operate the facility at no risk to the City of San Jose. This was a prudent deal that the City of San Jose put together, noting that the facility has been successful and has benefitted the community. In this case, a non profit would operate the recreation facility where all the money would stay in the community. He felt that Sports Management group went out of the way to skew the YMCA proposal.

Nancy Neyer-Kinoshita, 2525 Fountain Oaks Drive, shared some of the YMCA services that her family has benefitted from. She stated that she is a YMCA Board Member and that her background and belief system is rooted in the concept of collaboration and partnership. She felt that this was a good opportunity for two major community entities to partner together for a win-win situation. One of the reasons she became a board member this past year had to do with the desire to help promote the YMCA's concept of building the family, to continue to promote character development through asset development in all programming and reaching out to the community as a whole. She stated that the board members reach out to the community through the community support campaign for donations to provide financial aid to community members who need assistance. She stated that there are also no cost or low-cost activities available. She said that the YMCA came to the City's assistance many years ago and that with the support of the community has built a healthy place for families to grow. She recommended a collaborative partnership.

Thomas O'Connell, 15955 Village Way, stated that the YMCA has been a big part of America since before the civil war. He said that the YMCA brings families together. He noted that the City is worried about the deterioration of the downtown and inquired about the deterioration of the youth. He asked if the multi purpose, multi dimensional city model is going to do everything that the City Council wants it to do? He felt that the YMCA model would do everything that it is supposed to and that it can perform in any venue, noting that it is flexible and can go in any direction. He requested that the City Council give the YMCA the opportunity to perform.

Henk Marselis indicated that he is a 20-year community member, YMCA member of 22 years, and YMCA Board Chair for the Mt. Madonna YMCA in Morgan Hill. He informed the City Council that the Board stands behind the YMCA model. He requested that the City partner with it and allow it to run the facility. He requested that the City Council remember that no matter the downtown in the economy, the YMCA will always be here.

Jon Vickroy, 178235 A Oak Glen Avenue, stated that he looked into the YMCA several years ago, and found that it has been a fit for him the past six years. He commended the City Council for adopting the developmental assets for youth. He stated that the indoor recreation center needs to be a feasible working facility. He did not believe that the YMCA model would be a cost to the city and that a comprehensive facility would allow individuals and businesses to come to the community.

Rick Page, PRC Commissioner, informed the City Council that the PRC considered two issues: 1) what is the optimal facility; and 2) who would be the optimal operator(s). He indicated that the PRC needs additional time to make a recommendation to the City Council and address these two issues. He felt that there were apples and orange problems with the facility and a number of different figures that do not seem to add up in terms of usage rates that need further consideration. He felt that the YMCA is a great organization. He said that there could be a scenario where both the YMCA and the City have a place in recreation programming. He stated that additional time is needed to work out the issues of the facility, work out some of the scheduling control issues and compatibility issues that exist in programming in a joint use facility.

No further comments were offered.

Mayor Pro Tempore Sellers recommended that the City Council talk about the timing issues. He noted that Council Members Carr and Tate have been recommending that the Council look at this as a big picture and make sure that the redevelopment projects, as a whole, are considered. He noted that the City Council has scheduled a workshop on January 30, 2002 to discuss Redevelopment Agency priority issues. He hopes that following this workshop, the PRC will know how much money will be funded for the indoor recreation facility. He recommended that the City Council give consideration to waiting until January to allow the PRC to give further consideration to the issues and to give the City Council the opportunity to review this issue and make a recommendation based on having reviewed priorities following the January 30 work session.

Council Member Chang concurred with the comments expressed by Council Member Sellers. She wanted to know who would be the optimum user of the facility. She referred to page 42 of the report which lists users for each facility. She asked how many of the 59,000 participants would be paying members? How many are Morgan Hill residents? She indicated that she was on the YMCA's Executive Board 10 years ago when the YMCA took over the City's recreation programs. She stated that she has faith in the YMCA but that she needed to know who would be the optimum user of the facility as the Council needs to answer to the citizens of Morgan Hill.

Ms. Livingston responded that for the core facility, it is assumed that the youth and senior facility would be used solely by Morgan Hill residents. The gymnasium use assumes Morgan Hill residents because it assumes that with a one court gymnasium, access would be limited with priority going to Morgan Hill residents. In the full service facility, it is assumed that of the individuals who would use the facility frequently, 71% of the individuals would come from Morgan Hill. She indicated that the total participation number includes not only the frequent users, but includes the youth programming and special events. She said that there may be events that could draw individuals from other communities but that they are secondary from the intended market for the facility. She noted that the facility is primarily marketed, activities planned, and priority goes to Morgan Hill residents. She anticipates that there would be 862,000 participants based on the number of classes, programs and activities to be offered. She indicated that there are 60,000 free uses of the facility. She said that the City could offer a free Morgan Hill night or after school/summer program that would be in addition to the 862,000 participants. She stated that it is estimated that there would be approximately 2,500 users per month. She indicated that the City can decide how many free uses it would like to offer for the facility. She stated that she calculated 60,000 as youth and senior free uses and that there could easily be another 20,000 or 30,000 users. She did not count the number of individuals who might come into the facility and take advantage of the casual activity lounge, using the snack bars as these are free uses opened to the community.

Mayor Kennedy noted that Ms. Livingston mentioned a phase I project. He asked if this was a self-supporting option? Ms. Livingston did not believe that it would be a self supportive option. She stated that she did not try to analyze it because there is such a range of options. She would need the Council's parameters to develop an option that met its criteria.

Mayor Kennedy asked if there would be a phase I facility that would be self supporting if the project is split into a multi phased project? Ms. Livingston responded that the YMCA identified the essential core elements needed in order to be self sufficient. The YMCA model includes core elements consisting of an indoor pool, fitness center, and aerobic space. This core option would cost approximately \$15 to \$16 million construction cost.

Council Member Chang inquired what percentage of the 591,000 participants would come from Morgan Hill?

Ms. Wiedgrand stated that the program membership would be approximately 90%+ from Morgan

Hill. The facility membership would come out of town, noting that they would spend money and help local businesses. She felt that there were benefits from having people come from out of town in addition to supporting the recreation center.

Mr. Thornton indicated that the numbers listed are those individuals who are paying user fees. He said that there is confusion about the figures that are being used that may be leading to Council Member Chang's question. He stated that the YMCA's fundamental proposal to the City is that they would cover all of the operational costs at no risk to the City. In order to make this commitment, the YMCA conducted a study to help understand how many individuals, minimally, would use the facility and pay a fee. The numbers presented are based on the financial model that suggests that if those number of individuals come to use the facility, then the YMCA can provide the guarantee to the City. It is not a projection of every possible use that a person can have in the community. Therefore, the YMCA did not perform its figure to accurately respond to Council Member Chang's question relating to the percentage of users who would come from Morgan Hill.

Council Member Chang stated that she does not see building an indoor recreation center totally fee based. She felt that there were certain aspects of the programming that would be free to the community. She was trying to understand how the City could get there and what would be a good ratio.

Mayor Kennedy noted that the City Council has discussed several issues, including prioritizing the expenditure of capital funds. The Council has heard the presentation from the PRC, noting that they have requested additional time to review this issue. He recommended that the Council identify its questions this evening and that these questions be given to staff and the consultant for response. The PRC is to work on this while the Council focuses on its prioritization of funding. He felt that everyone could get back together at a future date when the information being requested has been gathered. He stated that he was not prepared to make a decision this evening as it is too important a decision and that there are a lot of unanswered questions. He recommended that the PRC be allowed to work on this issue and return to the City Council with a recommendation as requested by Chairwoman Hagiperos.

Council Member Chang indicated that she was trying to determine who would be the optimum user of the facility as she wanted to reach the ideal mix.

Council Member Tate stated that staff has defined community needs and the minimal/optimal amount of space needed to meet these needs in two different proposals. The YMCA is recommending sharing of spaces. He stated that he could not make the YMCA spaces add up to what already exists for seniors. He felt that if the Council could understand what the core area/uses would be for the youth and seniors, the City could add programs to make the costing equations work, no matter which model is used. He requested that this approach be investigated. He agreed that there are a lot of questions that need to be answered. He felt that these questions can be answered by combining uses and looking at joint programming.

Mayor Kennedy recommended that a joint use model be reviewed where both entities can work together. He indicated that he was open to increasing the budget for the indoor recreation center to the cost being proposed by the YMCA (\$14 to \$16 million). He stated that he had questions relating to the survey. He requested additional information relating to the operating numbers.

Council Member Carr said that he was pleased to see that his colleagues were willing to slow the process down in order to discuss priority uses of RDA funds. He concurred that it appears that the budget for this project would increase. However, before he supports additional funding for the project, he wanted to know where the dollars would be coming from. If the City looks at the three models presented this evening, he did not believe that the core model meets the needs discussed. He stated that he has some questions about the different numbers presented and that he has questions that he would like answered. He stated that he would get these questions to staff and work them out in the interest of time.

Mayor Pro Tempore Sellers agreed that it was critical that the City Council goes through the prioritization process. He agreed that it would be essential to increase the amount that would be spent on this project. He stated that he was not anxious about spending additional money for the project but that he was anxious that the City Council not spend more money in the long term and that the City does not encumber the general fund or subsidy resources for the long term. He felt that the more that is put into the capital facilities in the initial steps, the less the City would have to subsidize the project down the road. He felt that the City needs to identify how it can get to the best point where the City is spending the least amount of capital dollars, while minimizing the long term impacts to the City's general fund or other resources. He noted that the YMCA has had a role in this community for many years and that he did not have any doubt that this role would continue. He requested that staff, the PRC and everyone involved take a look at some of the options and explore some of the details, looking at how the specific elements would integrate. He requested that the PRC present the City Council with their ideas of what they believe would be the optimal parts that the YMCA and/or the City might do. Once it is understood how much funding is available, the City can put more specifics into the facility. He would like to see more substance when this item returns to the City Council in terms of which elements are best provided by which service provider.

Council Member Tate stated that it appears that everyone agrees that the core model would not work. He wanted to make sure that the facility addresses the needs of the seniors, noting that the needs of the youth are built into the youth wing. He agreed that some of the facilities could be shared between the youth and seniors, economizing on the project somewhat. He wanted this facility to include the needs of the youth and the seniors and then build on top what needs to be done to make the facility work.

Council Member Chang did not believe that a \$25 million budget would be sufficient. She noted that the community and cultural center started with a \$7 million budget and resulted in a \$21 million project. She stated that the Council has to narrowly define the project at the onset. Her biggest concern remains who will be the optimum user of the facility. She asked if this indoor community

center is being built for individuals who can afford to pay or for individuals who cannot afford to pay. She felt that the model should provide a 50/50 mix. She felt that the Council needs to serve its citizens well. She stated that she would like to work with the YMCA and that she is still faithful to their programs. However, she would like a response from the YMCA as to whom they believe would be the optimum user.

Deputy Director of Public Works/Operation Struve identified the project schedule implication based on the Council's direction this evening. He indicated that originally, staff was to complete preliminary designs in December 2001. Should the City Council reach a conclusion regarding the operator of the building in January/February, it would take three to four months to try to complete preliminary design. It would take six months following the approval of the preliminary design to complete a final design, working toward finalizing a bidable project, adding a year for construction. He indicated that tonight's City Council action would add three-four months to the process.

Mayor Kennedy requested that staff schedule the discussion of moving up its RDA prioritization date for its next meeting.

Action: *By consensus, the Agency Commission **Received** Presentations of Matrix of City-wide Recreational Needs, City and YMCA Operational Models and Analysis and Discussion of City and YMCA Operational Models; and 2) **Provided** Staff Direction on Building Operational Model and Project Schedule.*

Action: *On a motion by Agency/Council Member Tate and seconded by Agency/Mayor Pro Tempore Sellers, the Agency Commission/City Council unanimously (5-0) agreed to extend the meeting beyond 11:00 p.m.*

21. ORDINANCE REGULATING BOAT AND TRAILER PARKING AND STORAGE

Director of Community Development Bischoff presented the staff report.

Council Member Tate stated that he would support deferral of this item to the next fiscal year.

Council Member Carr stated that in the Finance & Audit Committee meeting held earlier this evening, the Committee discussed the fact that departments are being asked to cut 5%, noting that this item would require funding that was not anticipated this year. Therefore, he would support deferral to the next fiscal year.

Mayor Kennedy opened the floor to public comments. No comments were offered.

Action: *On a motion by Council Member Tate and seconded by Mayor Pro Tempore Sellers, the City Council unanimously (5-0) **Deferred** Review of the Ordinance Until Fiscal Year 2002-2003.*

22. BUILDING PERMIT FEE REDUCTION FOR SOLAR AND ALTERNATE ENERGY PERMITS

Mayor Pro Tempore Sellers indicated that he may be participating in this program. Therefore, he would be abstaining from this item.

Director of Community Development Bischoff presented the staff report. He informed the City Council that the City's Municipal Code requires that for all building permits that the City receives full cost recovery. He indicated that Mayor Kennedy has suggested that the City may wish to consider, as a way encouraging the installation of solar and alternate energy equipment, that a city subsidy fee be considered. He indicated that the City charges no more than the cost for any application and cannot make up fees by increasing fees in other categories. He said that the uniform administrative/building codes are based upon the evaluation of improvements and provides the costs for permits, allowing for full cost recovery, on average.

City Manager Tewes stated that it is unlawful to charge more than the City's cost, noting that the City is at full cost recovery. He informed the City Council that staff is currently undertaking an evaluation of all costs. He indicated that you cannot cross categorize subsidies.

Council Member Tate stated his support of retaining a policy of full cost recovery for the city.

Council Member Carr stated that he concurred with what is trying to be accomplished with the suggestion of encouraging individuals to utilize these services. However, in the current budget environment that the City is in, he did not believe that it was financially prudent for the City to be subsidizing any of the costs. He felt that the City should stick with full recovery costs if such a policy exists. He felt that this was a good question that the City's legislators should take up and recommended that this be a suggestion made to our legislators. If the state government is going to be providing benefits to individuals for installation of these type of systems, maybe they can provide benefits to local governments for these plan checks so that they can make these types of systems attractive to individuals.

Mayor Kennedy opened the floor to public comments. No comments were offered.

Action: *By consensus (Mayor Pro Tempore Sellers abstaining), the City Council referred Council Member Carr's recommendation to the City's Legislative Subcommittee.*

Mayor Pro Tempore Sellers resumed his seat on the dais.

FUTURE COUNCIL-INITIATED AGENDA ITEMS

No items were identified.

RECONVENE TO CLOSED SESSION

Chairman/Mayor Kennedy reconvened the meeting to closed session at 11:15 p.m.

RECONVENE

Mayor/Chairman Kennedy reconvened the meeting at 11:29 p.m.

CLOSED SESSION ANNOUNCEMENT

City Attorney/Agency Counsel Leichter announced that no reportable action was taken on the above listed closed session items.

ADJOURNMENT

There being no further business, Mayor/Chairman Kennedy adjourned the meeting at 11:30 p.m.

MINUTES RECORDED AND PREPARED BY:

Irma Torrez, Agency Secretary/City Clerk